



Republican Policy Committee

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January 31, 1996

For America...

Lugar-Dole Farm Bill (S. 1541) Is Common-Sense Agriculture Reform

- ***It's good for farmers:***

- ▶ Payments to farmers in early years are more generous than they would be under current law.
- ▶ Pre-set annual payments are a tremendous boon for financial planning, especially for young farmers seeking credit.
- ▶ The safety net of the commodity loan programs continues in place.
- ▶ Elimination of annual set-asides means producers can spread their fixed cost over more acres.
- ▶ New planting flexibility allows farmers to produce for the market, not for Washington. Acreage will no longer have to remain idle at Washington's dictats.
- ▶ Environmental protections are preserved; no destabilizing changes are made.
- ▶ These watershed program improvements will help shield agriculture from tumultuous government changes until after the turn of the century.

- ***It's good for taxpayers:***

- ▶ Unlike budget bills in 1990 and 1993, which allowed more spending on agriculture than Congress expected, farm program costs will be locked in place for seven years.
- ▶ Elimination of acreage reduction programs and increased flexibility will pave the way for more exports, improving our nation's balance of trade.

- ***It's good for the environment:***

- ▶ More planting flexibility will permit fewer applications of fertilizer and pesticides that can make their way to streams and lakes.
- ▶ The new Livestock Environmental Assistance Program will combat water pollution from animal manure — a major contributor to agriculturally-sourced water impairment.

- ***It's good for the future of U.S. agriculture:***

- ▶ One of the most productive sectors of our economy will finally be unshackled to realize its full potential.
- ▶ Livestock producers and the grain processing industry will no longer battle the government in giving planting signals to farmers.

- ***Voting to invoke cloture allows the debate to move ahead:***
 - ▶ Senators from both parties have spoken persuasively of the need for new farm legislation.
 - ▶ Unless we move to limit debate, the talk in Washington will continue — and so will the uncertainty in the countryside, as well as among consumers overseas. The Senate owes it to our farmers to let the farm bill debate go forward.

FOR FARMERS, S. 1541 OFFERS:

- ***Flexibility.***
 - ▶ Under S. 1541, farmers will be able to plant the mix of crop that best suits their climate, agronomic conditions and market opportunities. They will no longer follow decades-old planting patterns that limit profits and that are no longer appropriate.
- ***Simplicity.***
 - ▶ Farmers can enter into a 7-year contract and in many cases, will not need to visit USDA again. Many of the countless rules and costly regulations that accompany today's farm programs will be eliminated.
- ***Certainty.***
 - ▶ Farmers will know all program parameters and payment rates for the next 7 years. Under current programs, payment rates often change after program sign-up and payments in future years are unknown. A known stream of payments will provide certainty to farm lending and all manner of farm business decisions.
- ***Opportunity.***
 - ▶ Farmers will be able to adjust planting decisions to take advantage of market opportunities. Currents programs force farmers to follow old planting patterns and USDA regulations rather than profit opportunities.
- ***Profitability.***
 - ▶ According to the Food and Agricultural Policy Research Institute (FAPRI), under S. 1541, gross farm income will expand by 13 percent and net farm income will expand by 27 percent over the next 10 years.
- ***Growth.***
 - ▶ Farmers will be able to adjust plantings and take advantage of growth in high-value, processed product markets. Current programs often force farmers to limit plantings to stagnant, low-value, bulk markets.

Information provided by the Senate Agriculture Committee.

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